



**GREATER ROCHESTER  
COMMUNITY REINVESTMENT COALITION  
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ROCHESTER, NEW YORK 14604**

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May 10, 2004

Jennifer J. Johnson  
**Secretary**  
Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue, NW  
Washington DC 20551

**Fax: (202) 452-3819**

**RE: Docket No. R-1186**

Dear Secretary Johnson:

I am writing to **you on behalf of the** Greater Rochester Community Reinvestment Coalition (**GRCRC**) to comment on the proposed changes to **the** formats for publicly available **HMDA** data tables.

GRCRC was convened in 1993 to generate discussion about the lending **patterns** in Rochester. Since then, the **Coalition has** released **six** analyses of home mortgage, small business and subprime lending data. We have used the analyses to identify **strengths** and weaknesses in lending **patterns** and to generate ongoing **discussion** with the banks in **question**. **The Coalition also submits** comments, based on the data, to the appropriate Federal regulators who **have** oversight of the banks.

GRCRC has a membership **o**f over 40 locally based not-for-profits and individuals. GRCRC **monitors** the lending **and investment** performance of Charter **One Bank**, M&T, Fleet, HSBC, Chase, Citigroup and Canandaigua National Bank.

When data is publicly available that documents how **many** and **what** types of home loans institutions are **issuing** to **women**, minorities, and low- and moderate-income borrowers and communities, community groups **can work** with banks **and** financial institutions in insuring the credit needs of underserved communities **are** met. These publicly available data tables need to be sufficiently detailed to enable the general public to assess if traditionally underserved communities are receiving affordable, prime loans **or** are disproportionately receiving high cost loans. Without public dissemination of data, it is impossible to hold individual lenders or **the** industry at large accountable for **making** progress in offering equal access to loans with fair rates at fair terms.

**GRCRC** cannot understate the importance of **HMDA data** for the analysis we conduct. Through our **data** analysis we have been able to work with area banks to improve leading to underserved communities in the Rochester MSA. GRCRC is also one of the **few groups** fortunate enough to have the capacity to use raw data to conduct our analysis and **welcome** the new flexibility of raw data on the **HMDA CD ROM**. **However**, we **know** that most community development organizations **do not have** the capacity to use the raw data. For the vast **majority** of community groups and **the** public at large, the **data** tables are the equivalent of all the **HMDA data** **that** is publicly available.

**GRCRC** asks the Federal Reserve Board not to delete data tables that describe lending by gender and to increase the amount of detail in the proposed data tables. **GRCRC** anticipates that segments of the lending industry are likely to urge the Federal Reserve Board to reduce the number of summary data tables available to the public. They will claim that loan pricing information, for example, will be too easily misunderstood by the general public and will lead to unsubstantiated claims against certain lenders or the lending industry at large. Far from widespread misunderstandings, the existing HMDA data has made possible significant increases in lending to underserved populations precisely because it was made public. Community groups, public officials, community leaders and other stakeholders were able to engage lenders in dialogue over how to best overcome unmet credit needs identified through data analysis. This positive and proactive dialogue will have a greater chance of attaining fairness in pricing if the new HMDA data elements become widely available and discussed.

### Data Tables Should Be "Downloadable"

The **FDIC** has a number of large databases on banks by asset size and bank branches by state and metropolitan area that can be downloaded directly from the **FDIC** web page into a format that can be read by Excel and other widely available software. Similarly, **GRCRC** urges the Federal Reserve Board and the Federal Financial Institutions Examination Council (**FFIEC**) to allow the general public to download the summary HMDA data tables into a format that can be read by Excel and other programs. While most community groups will not use the HMDA raw data, a larger segment of them are eager to download the summary tables into Excel and other software. Currently, the summary tables can only be printed, resulting in hours of data entry for those who wish to engage in additional analyses. There is no reason that these tables should not be in a format that can be downloaded. As our democracy becomes more dependent on information for an engaged citizenry, federal agencies should do all they can to make information available in a wide variety of formats.

### Do Not Delete Tables on Lending by Gender

The Federal Reserve Board proposes to delete the Table 6 Series that provide detail on lending by gender and income. The rationale is that not many members of the general public find these tables useful. On the contrary, now that manufactured home loan data and other data elements are available, it becomes more important to have valuable information on what types of loans women are able to acquire. Moreover, the Table 6 Series is the only summary table available to the general public that considers lending to women of different income levels. **GRCRC** reminds the Federal Reserve that for most members of the general public, the summary tables are effectively the only source of information for lending by particular lenders or the industry at large.

### Manufactured Home Loan Data is Not Detailed Enough

In the tables of lending by census tract category or lending by groups of borrowers, the Federal Reserve Board proposes not to separately report lending trends by different purposes for manufactured home loans. In other words, the general public will only know how many manufactured home loans were offered for the purposes of home purchase, home improvement, and refinance lending considered together. **GRCRC** feels the details in this case are insufficient.

At the very least, the general public needs information on how many home purchase loans were for traditional homes and how many were for manufactured homes for different groups of borrowers and census tracts. For instance, in the Table 4 Series, breaking out home purchase lending for manufactured homes versus traditional homes would result in only one or three more tables, depending on whether the separation is done for conventional home purchase, government-insured home purchase and/or

conventional and government-insured home purchase lending combined.

While GRCRC urges the Federal Reserve to consider three ~~more~~ tables, the Federal Reserve should at least add one more table showing home purchase lending for manufactured homes only. Then members of the general public can determine how many home purchase loans were made for traditional homes by subtracting home purchase loans for manufactured homes from the proposed table on home purchase lending for traditional homes and manufactured homes combined.

### **Loans "Sold" Needs to Be Broken Out by Loan Type and Purpose**

Table 3 Series provides information on loans sold by race, ethnicity, income of borrower, and minority and income level of census tract. The gender of the borrower is ~~missing~~, and should be added. In addition, the Federal Reserve should further separate loan type and purpose for loans sold, in the same manner as Table 4 Series. Likewise, GRCRC's comments urging more information for manufactured home loans also applies to Table 3 Series.

### **Pricing Information for Government-Insured Home Loans**

In a new Table 11 Series, the Federal Reserve proposes not to include loan pricing information for government-insured loans, asserting that most of the public attention has focused on loan pricing information for conventional loans. GRCRC believes it would not be too difficult to add one or two tables on loan pricing information for government-insured loans precisely so that the general public can determine whether disparities in loan pricing is as important for government-insured home loans as for conventional loans. The Federal Reserve could easily add two tables for home purchase government-insured loans; one for first liens and one for subordinate liens as is done for the other tables.

### **More Information for Pricing for Manufactured Home Loans**

Table 12 Series has pricing information for conventional manufactured home purchase loans, first liens. An additional table should be added for government-insured manufactured home purchase loans so that the general public can determine if pricing disparities are similar or different in the conventional or government-insured manufactured home loan market. In addition, columns should show ranges of prices (percentage points above Treasury Rates) for manufactured home loans in Table Series 12 as is done for Table Series 11. In addition, since manufactured home loans have higher interest rates than traditional home purchase loans, one more column (10 percentage points or more above Treasury rates) should be added. Finally, the table should clarify that the pricing information is based on loan approvals rather than applications as is done for Table 11 Series.

### **Preapprovals by Minority, Income Level, and Gender of Borrower**

The Summary Table A Series should include more information reporting preapprovals resulting in loan originations and denials by minority, income level, and gender of borrower. A significant policy issue that motivated the inclusion of preapprovals was whether traditionally underserved borrowers had as much access as whites to preapprovals. Thus, in order to ascertain if this is the case, the data tables must have information by groups of borrowers, if not groups of census tracts, for this data.

GRCRC appreciates this opportunity to comment on the proposed public disclosure tables because these tables are the most accessible format for HMDA data for most members of the general public. Accordingly, the data for lending by gender must be retained. More detail must be added for the proposed tables regarding manufactured home lending, pricing information, and preapprovals for

different groups of borrowers. The Federal Reserve must enhance, and in no way, diminish the level of information in the proposed public disclosure tables, otherwise, we will community groups will lose an important tool in helping financial institutions meet the credit needs of underserved communities.

GRCRC is committed to fostering partnerships with all financial institutions in the belief that the goal of meeting the credit needs of traditionally underserved communities is compatible with safe and sound lending practices.

Sincerely,

Handwritten signature of Ruhi Maker, followed by the initials 'MK'.

Ruhi Maker, Esq

Handwritten signature of Barbara VanKerkhove, followed by the initials 'MK'.

Barbara VanKerkhove, Ph.D.  
CRA Project Associate